



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

Pete Hess Environmental Scientist III
Company Scott Dimick Superintendent

Inspection Report

Permit Number:	C0070033
Inspection Type:	COMPLETE
Inspection Date:	Monday, June 13, 2005
Start Date/Time:	6/13/2005 10:21:00 AM
End Date/Time:	6/13/2005 1:30:00 PM
Last Inspection:	Thursday, May 19, 2005

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny;clear. 70's F. Mild breezes.

InspectionID Report Number: 633

Accepted by: whedberg
6/15/2005

Permittee: **ANDALEX RESOURCES INC TOWER DIVISION**

Operator: **ANDALEX RESOURCES INC TOWER DIVISION**

Site: **WILDCAT LOADOUT**

Address: **PO BOX 902, PRICE UT 84501**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

100.00	Total Permitted
63.70	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
☐ State
☐ County
☐ Fee
☐ Other

Types of Operations

- ☐ Underground
☐ Surface
☒ Loadout
☒ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee continues to meet the Special Permit Condition included as Attachment "A" of the current State permit to submit surface water monitoring information in an electronic form to the Division web site.

The Wildcat permit area remains under a Division Order relative to fugitive dust. The Division is currently reviewing information received from the Permittee relative to this issue. There are no other compliance issues currently pending within this permit area.

Inspector's Signature

Date

Monday, June 13, 2005

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Topsoil

The protective vegetative covers on the topsoil piles all appear to be flourishing, due to the wet/cool spring which the Carbon County area is experiencing. The retention berms about the piles are functioning as intended.

4.a Hydrologic Balance: Diversions

The inlet diversion located on the SW corner of pond "E" was noted as having extensive erosion of the embankment directly beneath the 24 inch half-round corrugated metal pipe. A section of this pipe was also twisted. The erosion appears to have been caused by piping below the inlet apron. All flow continued to report into pond "E". Mr. Dimick agreed to repair the erosion, and the inlet apron to return this diversion to full function.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Permittee's qualified person (Mr. Dan Guy, P.E., Blackhawk Engineering) performed the first quarter 2005 impoundment inspections for the site's six sediment ponds, as well as the permanent impoundment and the depression area on March 14, 2005. There were no hazardous conditions noted for any of the ponds. As observed this day, only ponds "C" and "F" contained water. There were no compliance issues noted at any of the ponds.

4.c Hydrologic Balance: Other Sediment Control Measures

As noted elsewhere in this report, vegetation in the permit area is flourishing; this includes the area immediately east of the two main coal stockpile areas.

4.d Hydrologic Balance: Water Monitoring

The Permittee was asked to provide the surface water monitoring field notes for the first quarter of 2005; this request is pending. Ms. Karla Knoop is the Permittee's water monitoring contractor. The Division confirmed on February 17, 2005 that all surface water monitoring information for the Wildcat permit area for the fourth quarter 2004 had been successfully uploaded into the Division EDI, (all sites and all parameters had reported values). There was no flow reported at any of the Wildcat Wash monitoring points (WCW-1 through WCW-4). There were no outfall volumes reported for any of the site's six UPDES points for the three month period of October through December 2004. First quarter 2005 surface water monitoring information was uploaded to the Division EDI on June 13, 2005, as confirmed by DOGM personnel.

7. Coal Mine Waste, Refuse Piles, Impoundments

Mr. Dan Guy, P.E., performed the first quarter 2005 refuse pile inspection on March 14. No hazards were noted either during that inspection, or during today's inspection. Some new dumping has occurred on the southern end of the pile. With the exception of a short length of conveyor belting on the west side of the access road slope, there were no noncoal waste items observed within the refuse material.

19. AVS Check

The Division conducted an evaluation report of the Applicant Violator System for the Permittee based upon information contained within the Office of Surface Mining's database on May 26, 2005. That report indicated that "there were no violations retrieved by the system" and that the following individuals remain in key positions relative to ownership and control for the Permittee; Mr. Peter B. Green, as Chairman of the Board, Director and Chief Executive Officer. Messrs. Ronald C. Beedie serves as Director and Douglas H. Smith serves as President and Director. John Bradshaw serves as Secretary, and also as Vice President. Mr. Sam Quigley also remains as a Vice President for the Permittee.

20. Air Quality Permit

Although a few water puddles were observed in road depressions, road watering did not appear to have occurred prior to today's inspection. The Permittee normally waters roadways on Tuesday and Thursday. The possibility of increasing the road watering frequency during forthcoming higher daytime temperatures with reduced relative humidity was discussed with Mr. Dimick. The application of magnesium chloride on the site's haul roads has been affected by the reduced production levels being experienced at the Centennial Project. It is necessary to run trucks into the Wildcat site seven days in order to attempt to maintain production levels. The seven day schedule prohibits any curing time for the proposed MgCl treatment. An inadequate curing time would render the application non-cost effective. Opacity levels behind the trucks accessing the site appeared to be below the 20% opacity level required within the DEQ / DAQ Approval Order.

21. Bonding and Insurance

The general liability insurance for the Wildcat permit area remains in effect until July 1, 2005. Mr. Mike Glasson indicated on 6/14 that he had received verification from Riddle Insurance in Madisonville, Kentucky that continued coverage would be maintained / updated with the appropriate Accord forms. A reclamation bond in the amount of \$651,000 is maintained by the Permittee for the reclamation of the site. The amount was evaluated by the Division in 2003 and determined to be adequate (2006 dollars).